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Chair

Mr. James Maloney

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● (1220)

[*English*]

The Chair (Mr. James Maloney (Etobicoke—Lakeshore, Lib.)): Good morning, everybody. My apologies for running a bit late. We're a bit behind schedule.

Minister, first off, thank you for taking the time to be here with us today. We know how incredibly busy you are. We're grateful for your flexibility in changing your appearance to today to accommodate other things that may be happening today—things that are at the front of our minds, but that we don't want to mention and jinx ourselves by doing.

Before we get into that, I want to say a couple of things. This will be our last meeting of the session. This committee runs very well. We have a great group of people here. There's a certain harmony around this table, which is very positive. When we disagree, we do it respectfully and get over it quickly. That's something to be very proud of. But all of this—

Mrs. Shannon Stubbs (Lakeland, CPC): [*Inaudible—Editor*] pre-emptively.

Voices: Oh, oh!

The Chair: This is a pre-emptive strike. I'm hoping not to have to remind you of that statement a little later on in the morning.

Voices: Oh, oh!

The Chair: This doesn't happen just on its own. It happens because of all the people sitting around us and behind us. I would like to say thank you to all of them.

Thank you to our clerk and our analysts.

Some hon. members: Hear, hear!

The Chair: You make it happen. You make us look good. You make it run smoothly. We're very, very grateful for that.

To all the people around this table, and more importantly than the people around this table, the people sitting behind you at this table, who are the ones who make all of this happen too.

Thank you to all of you.

Some hon. members: Hear, hear!

The Chair: Last but not least, thank you to all the members around this table. We do have a very good group. We joke about it, but I feel strongly about that, and I really believe it. I am appreciative of that, because things go so well as a result.

I would like to give a special shout-out to our parliamentary secretary, Kim Rudd, who works incredibly well with not only on that side of the table but also on this side of the table—and this end of the table. We're very grateful for that too.

On that note, Minister, this will be a very happy meeting, we now know. I'd like to thank you, Ms. Tremblay, and Ms. Crosby for joining us today. Because of the time and because we do have to get to question period—and I will stop talking—we'll have time for only one round of questions.

I will turn the floor over to you, Minister. Thank you again.

Hon. Jim Carr (Minister of Natural Resources): Thank you.

It is a happy day. Everyone is in such a good mood. We're just thinking about what we might be doing tomorrow and the day afterwards. We work hard, and it's time for us to go back home.

[*Translation*]

Thank you, Mr. Chair.

Good afternoon, everyone. It's great to be back.

If a week in politics really is a long time, the last 12 months are a lifetime.

You know that as well as anyone. Over the past year, you've produced four reports—on nuclear innovation, clean technology, electricity interties, and value-added forest products—and now you've turned your attention to energy data.

Your efforts are not only substantial, they go to the heart of resource development in this clean-growth century. They reflect our government's vision of Canada leading the global transition to a low-carbon economy.

● (1225)

[*English*]

Canada's natural resources are central to this. Our vast forests, extensive mineral deposits, and abundant oil and gas reserves are not only the backbone of our economy today, accounting for 20% of all economic activity, but also the building blocks for the new resource economy of tomorrow.

There can be no climate change solution without sustainable opportunities for our forests. There can be no clean technology without the minerals and metals that are its key components, and there can be no acceleration of our clean, renewable sources of energy without the wealth generated by Canada's traditional sources of energy.

Our government understands all of this. We recognize that our responsibility to Canadians is to develop these resources sustainably and competitively to create good jobs, a stronger economy, and shared prosperity for generations to come. That's what we are doing. That's what the past year has been about, and that's where my department's main estimates will help to take us.

We want to use this time of transition to Canada's advantage by building the projects and infrastructure we need to get our resources to global markets and using the revenues they generate to continue investing in tomorrow's clean economy. This includes the Trans Mountain expansion project.

I know we will talk at some length about the project today, but let me just say here that our government's decision last month to secure the existing pipeline and ensure its expansion is aimed at protecting Canada's national interest and preserving Canada's role as a global energy leader. This is why our government approved the TMX project in the first place, following unprecedented consultations with Canadians and as part of a sensible strategy that diversifies our markets, advances environmental protections, and creates real economic opportunities, including in indigenous communities.

These efforts have taken on added significance in an era when our closest economic partner is creating trade barriers with unwarranted tariffs on everything from softwood lumber to steel and aluminum. As the Prime Minister has said, "Canadians are polite...but we...will not be pushed around."

I want to thank all members at this committee and in the House for putting Canada first in these challenging times. Our history is linked to natural resources, and so is our future. That's why our government is making generational investments in clean technology and innovation in the resource sectors as well as in foundational science and research.

We are promoting a progressive, inclusive, and sustainable agenda, one that empowers women, supports youth, and renews Canada's relationship with indigenous peoples.

The past 12 months are filled with examples of how we are doing this. We did this by tabling the first federal budget to be entirely guided by a gender results framework to ensure that every Canadian has a real and fair opportunity to succeed. We did this by launching consultations on an historic new legal framework to recognize and implement inherent indigenous rights. We did this by introducing legislation for a new way to review major new resource projects, one that strengthens investment certainty, restores public trust, advances indigenous reconciliation, and enhances environmental performance. We did this by implementing a softwood lumber action plan to support Canadian forest workers and their communities, while defending their interests through NAFTA and the World Trade Organization. We did this by signing a forest bioeconomy framework with the provinces and territories to make Canada a global leader in the use of sustainable biomass to transform our economy. We did this by launching work on a Canada minerals and metals plan to re-establish Canada as the world's undisputed leader in sustainable mining. We did this by creating the Canadian ombudsperson for responsible enterprise, because progressive trade only succeeds when it works for everyone. And we did this by beginning work on a Canadian road map for small and modular nuclear reactors.

The main estimates, which you have invited me here to discuss today, support all of these things, and more. They include an additional $113 million over last year so we can invest more money for green infrastructure; more money for Impact Canada and its five challenges to accelerate clean technology, including the Women in Cleantech Challenge that we launched in Toronto last month; and more money for the indigenous advisory and monitoring committees that we've co-created to oversee the TMX and Line 3 projects.

Budget 2018 builds on all of this, including $86 million for NRCan as part of our plan to create a new Canadian energy regulator to replace the National Energy Board; $74.75 million to prevent the spread of spruce budworm, protect our forests, and support our economy; another $12 million for NRCan to defend the Canadian forest industry in the face of U.S. duties; and the renewal of the 15% mineral exploration tax credit to help junior exploration companies raise capital to finance grassroots mineral exploration.

Each one of these investments will bring us closer to our low-carbon future. Each one reflects the growing consensus at home and abroad that the individual choices we make today will lead to transformative changes tomorrow. We heard that clearly through Generation Energy, Canada's largest national energy discussion, through the hundreds of thousands of Canadians who were part of that conversation, and the 650 more who travelled to my home city of Winnipeg for a two-day Generation Energy Forum last fall. Canadians told us they want a thriving low-carbon economy, they want us to be a leader in clean technology, and they want an affordable and reliable energy system, one that provides equal opportunities to Canadians without harming the environment. We've appointed a 14-member Generation Energy council to bring all of these ideas together. I'm looking forward to receiving its report later this month to complement the pan-Canadian framework on clean growth and climate Change and our ongoing investments in key areas, such as smart grid technologies, strategic inter-ties and charging stations for electric vehicles, as well as new money for green buildings and to help remote communities to move away from diesel.

Similar priorities are dominating international efforts. We heard it at CERAWeek in Houston, Texas, in February, when the CEO of Shell used the world's largest energy conference to announce his company's plan to cut its carbon footprint in half by 2050. We heard similar messages at the Clean Energy Ministerial meetings in Copenhagen, Denmark, last month and at the G20 meeting of energy ministers in Argentina just last week. Argentina proved that the global economy can come together to tackle the challenges of our time, including energy security, reliability, affordability, and the low-carbon transition.

● (1230)

[*Translation*]

The world of tomorrow requires new approaches and new ways of thinking, with a premium on invention and imagination.

Canadians have always risen to such challenges, through the resources of our land and the resourcefulness of our people. I'm hoping you will continue to support these efforts.

I welcome any questions you may have.

Thank you, Mr. Chair.

[*English*]

The Chair: Thank you very much, Minister.

Mr. Whelan, you're going to lead us off.

[*Translation*]

Mr. Nick Whalen (St. John's East, Lib.): Thank you, Mr. Chair.

I want to thank the minister for coming today and for his effort to speak French. I congratulate him on behalf of my colleague, Mr. Serré, for improving in that respect.

[*English*]

Hon. Jim Carr: These are incremental expenditures, to add to the base that we have built since we took power in 2015. We understand that this transition is going to take some time, and we understand that the Government of Canada has to be a partner with the private sector, incentivizing the private sector, and offering our own contributions so that, increasingly, we will see electric charging stations and be able to take remote communities off diesel.

Even in Alberta, we see that the industry, impressively, has taken very seriously this transition, In fact, they have become leaders in more sustainable ways to extract resources. I think that on all fronts, the combination of government incentives, partnerships with industry, and the understanding that we're in this transition positions Canada well to lead the world in this transition.

● (1235)

Mr. Nick Whalen: As we look to this track of increasing the funding in this domain, how do you see the next two or three years playing out, from the ministry's perspective, in terms of this level of support? Do you expect this level of support to continue? Is it going to grow within the envelope that we have for infrastructure. Is this the area we can expect to see as parliamentarians, over the middle term, anyway?

Hon. Jim Carr: Well, with your help, I'll certainly make all the good arguments to the Minister of Finance. The government is committed to playing a responsible and important role in this transition. We know that with every passing year, it becomes more important that we reduce greenhouse gas emissions and that we offer consumers the alternative of using cleaner forms of transportation, cleaner ways of heating their homes, and that they be able to take their communities off diesel. Most importantly, the private sector is leading on this, as it should.

We want to make sure there is a policy frame that encourages them to move in this direction, and I continue to be impressed by how thoroughly industry itself understands where we are and where we have to be. It's that kind of partnership that I will use in my arguments with colleagues to say that the direction we're moving in is the right one and ought to accelerate over time.

Mr. Nick Whalen: Of course, this week, NOIA, the Newfoundland Ocean Industries Association, is meeting in my riding of St. John's East, and Minister O'Regan's riding of St. John's South—Mount Pearl, to discuss a little bit the future of our oil and gas industry and the role it will play in transitioning us to a low-carbon future.

With that comes the issue of regulation. In addition to regulation of the offshore industry, there is a lot of discussion in my riding about how offshore wind is going to be regulated. You're talking about a new national energy regulator. Will it have a responsibility for offshore wind? I'm thinking particularly about the Gulf of St. Lawrence and different places in the Maritimes and Atlantic Canada on that front.

Hon. Jim Carr: We committed to joint arrangements in the offshore accords, and we will continue to honour that.

Also, we think there is very impressive potential off Newfoundland and Labrador, and Nova Scotia. We've developed a very good relationship. You know that these are co-administered by the Government of Canada and by the provinces. We think there is an awful lot of expertise there, and we want to see more development and more growth.

In recognition of the joint management offshore accords with Nova Scotia, and Newfoundland and Labrador, the impact assessment agency will collaborate with the offshore boards in reviewing major offshore oil and gas projects. A formal role for the offshore boards for designated projects would ensure that the technical knowledge and expertise they have developed over these many years is brought to bear in these assessments.

Mr. Nick Whalen: Back to the amounts that have been provided under the green infrastructure envelope, I am looking at electric vehicles. Something that is a real impediment to Canadians purchasing electric vehicles is the confidence they have while they're out on longer drives. Certainly in Newfoundland and Labrador, the average trip length for getting between communities is going to require charging stations.

Is there a sense of how many charging stations the $16.7 million will help fund and create this year, and what is the vision for how many electric charging stations there will be across the country in the medium term?

Hon. Jim Carr: I'm glad you asked that question.

Voices: Oh, oh!

Hon. Jim Carr: Well, then you're all going to be happy with the answer.

Budget 2016 provided NRCan with $62.5 million over two years from green infrastructure phase one to support the construction of 102 electric vehicle fast chargers, seven natural gas refuelling stations, and three hydrogen refuelling stations, as well as demonstration projects of more than 200 next-generation electric vehicle charging stations. Budget 2017 built on this, investing an additional $120 million over four years to continue the demonstration projects of innovative electric vehicle charging infrastructure.

There's more.

You can see that we're on a trajectory of growth, and the goal, of course, while the technology begins to develop over a number of years is to allow those drivers to go farther and farther without having to recharge. Ultimately, we see there being very impressive growth that will change behaviour and habits. Also, $46.1 million will support demonstration projects that are expected to result in the installation of more than 200 next-generation EV charging stations, including more than 30 fast-charging stations by March 31, 2020.

● (1240)

The Chair: I'll have to stop you there, unfortunately.

Mr. Nick Whalen: Thank you very much, Mr. Chair.

The Chair: Ms. Stubbs, I believe you're next.

Mrs. Shannon Stubbs: Thank you, Mr. Chair.

Thank you, Minister, for joining us.

In the 2017-18 budget, the Canadian exploration expenses tax credit for new oil and gas exploration drilling was cut, unless drilling is proven to be unsuccessful. An access to information request released emails that show that the finance minister did not consult you and you were caught off guard by it on budget day. I worry sometimes that you may be sidelined in decisions related to your portfolio.

For the purpose of these estimates, were you fully involved in the negotiations and decision for taxpayers to pay for the government's failure to exert federal jurisdiction, and for the existing Trans Mountain pipeline?

Hon. Jim Carr: You have a couple of questions there.

Your last question, was I involved—

Mrs. Shannon Stubbs: Were you fully involved in the negotiations and decision?

Hon. Jim Carr: —in the negotiation?

No. The Minister of Finance led that with his team within the Department of Finance. I knew about the impatience of Kinder Morgan because they called me in New York City on a Saturday and said that 24 hours later, the following Sunday, they would be issuing a press release that would establish a deadline of May 31, because they were feeling pressure from their investors, given the uncertainty, because of actions that were taken by the British Columbia government.

Mrs. Shannon Stubbs: Right, and certainly they had indicated that they might be at risk of abandoning the pipeline because of the lack of political and legal certainty necessary for them to proceed.

Hon. Jim Carr: Exactly.

Mrs. Shannon Stubbs: Of the four and a half billion tax dollars that purchased the existing pipeline, it later became public that $3 million of the $4.5 billion is slated for bonuses to two senior executives.

Did you know that would happen in advance of the deal?

Hon. Jim Carr: No, and the Kinder Morgan company still owns the pipeline, and they will—

Mrs. Shannon Stubbs: Do you support the concept of millions of tax dollars going to bonuses instead of to construction?

Hon. Jim Carr: Well, that is a decision taken by the company, which is entirely separate from government. Their shareholders have not yet approved the transaction. They are expecting that to happen sometime later in July or in August. Meanwhile, they're a company that is governed by the same rules as any other private sector company, and it's not the government's business to tell them how to spend their money.

Mrs. Shannon Stubbs: I certainly think it will be your business to advocate on behalf of Canadians, given that $4.5 billion in tax dollars has been sunk into an existing pipeline unnecessarily. This major expenditure, of course, is not reflected anywhere in the budget estimates. There's also nothing here about construction costs of the new build for the actual expansion. Kinder Morgan estimated there would be a loss of $200 million a month for each month of delay, and their original, planned private sector investment was $7.4 billion, which they're now taking out of Canada.

I wonder whether you can estimate the overall cost to taxpayers of the actual new construction of the expansion.

Hon. Jim Carr: I know that the team at the Department of Finance did due diligence to determine the commercial viability of the project and were satisfied that it was commercially viable. Once the Government of Canada has secured ownership of the assets, that will be the time to determine the cost of construction and, of course, as a publicly controlled entity, in time, all of these expenditures will be made available to the public.

Mrs. Shannon Stubbs: Okay. So construction, of course, was originally supposed to start in September 2017. On May 29, the finance minister said that construction would "start this week". Expansion construction hasn't. Trans Mountain UCL confirmed that with my office last week.

When do you expect it to start, and what are the costs to taxpayers associated with further delays?

Hon. Jim Carr: We know that construction will begin as soon as possible. The permitting process continues. It is our hope that the pace of construction will pick up during the summer, even while it's still under the ownership of Kinder Morgan.

● (1245)

Mrs. Shannon Stubbs: Hopefully it will at least even start, never mind pick up the pace.

Hon. Jim Carr: We understand, as you do, that delay is costly. In fact, it was the cost of delay led Kinder Morgan to find a way to step out of the project in the first place.

Mrs. Shannon Stubbs: Because of legal and political uncertainty —

Hon. Jim Carr: That is correct.

Mrs. Shannon Stubbs: —and failure to exert federal jurisdiction. Of course, not one new inch of that expansion has been built to date. Can you explain how many jobs, and on what timeline specifically, the $4.5 billion public expenditure will create?

Hon. Jim Carr: That is going to be up to the crown corporation that will take ownership of the pipeline after the Kinder Morgan board has approved the sale. These decisions will be taken down the road. It's premature for us to comment on that.

Mrs. Shannon Stubbs: So you can't, but I'm hopeful that you will be able to provide these answers to Canadians, since you've now forced them to become pipeline owners. Of course, the Bank of Canada predicts no new energy investment in Canada after 2019—which is very concerning—as a result of reduced Canadian competitiveness because of added costs and red tape. U.S. investment in Canada is down. Canadian investment in the U.S. is up. This flight of energy capital from Canada is a crisis.

The estimates show there is $2.1 million for the Canada summer jobs program for 2019-20. This year, anti-energy groups received summer jobs funding, including Leadnow, Tides Canada, and the Dogwood Initiative in Liberal and NDP ridings. They run campaigns specifically to block the Trans Mountain expansion through death by delay, and they attack Canadian oil and gas. Why are you funding these groups with tax dollars?

Hon. Jim Carr: The previous Harper government funded some of these very same groups. We don't think that—

Mrs. Shannon Stubbs: The requests are put in by members of Parliament, and the funding is all in Liberal and NDP ridings.

Hon. Jim Carr: We believe that we don't pick and choose according to whether a group agrees with our policy and who should be given access to a very—

Mrs. Shannon Stubbs: Except for the values test, but I hope Canadians can count on you to ensure that no public funds are allocated to anti-Canadian energy campaigns, given the importance of energy to the whole Canadian economy.

Are you aware of the corporate mapping project?

Hon. Jim Carr: No.

Mrs. Shannon Stubbs: It received $475,000 from the Social Sciences and Humanities Research Council to research "Mapping the Power of the Carbon-Extractive Corporate Resource Sector". On the website is a quote from the Prime Minister's that "power and influence in the fossil fuel industry today places sharp limits on our democracy".

My colleagues and I value independent, objective research, but the Social Sciences and Humanities Research Council will receive $786 million this year. On behalf of energy workers and natural resource developers everywhere, I wonder if you'll advocate to ensure that future research grants are scientific and generate research rather than misinformed propaganda attacks on Canadian natural resources.

Hon. Jim Carr: We believe in the power of science and scientific research. Scientific research was very much a part of our decision to approve the Trans Mountain expansion pipeline. We know that respect for science was not always at the front of the thinking of previous governments. One of the first things we understood upon assuming government was that a respect for the public service, for independent research, the capacity of scientists to debate their research in public and have Canadians aware of how they got to their conclusions, their methodology, and to have an open public discussion about that science was good for Canada. We continue to believe that.

The Chair: Thank you, Minister.

Thank you, Ms. Stubbs.

Mr. Cannings.

Mr. Richard Cannings (South Okanagan—West Kootenay, NDP): Thank you, Minister, for being here.

I'd like to open with one simple question about the Kinder Morgan pipeline. Ms. Stubbs has gone over some of the detail of the finances behind it. We have just purchased this project, or are in the process of purchasing it, because Kinder Morgan put forward that May 31 deadline, threatening to walk away from the project because of uncertainties. Those uncertainties included British Columbia's concerns, first nations litigation, increasing civil disobedience.

I'm wondering how this purchase has moved us any closer to building this pipeline. Specifically, how did it address those concerns? How has it changed any of those concerns that caused the proponent to abandon the project? I don't want to hear whether B.C. is right or wrong or whether the first nations are for it or against it. I just want to know how this purchase has helped that situation, those three things, how it has changed the....

● (1250)

Hon. Jim Carr: It's taken all of the political risk out of the project, because it now has the full support of the Government of Canada. That's the most important change. We have no control over what a court might say. We don't know when the judicial review will be determined by the Federal Court of Appeal. It could be today; it could be next week; it could be longer than that. We don't know the timing of the reference questions that the British Columbia Government has sent to the British Columbia Supreme Court. These are unknowns and unknowable by all of our governments. We know that the courts have routinely said that the federal jurisdiction is paramount when it comes to the movement of natural resources across jurisdiction. The Supreme Court of Canada itself has said that.

On the question of protests, this is one of the cherished rights of being a Canadian. People will protest, but we also live under the rule of law, so people who choose to break the law will probably be arrested by somebody. In some cases, they already have been, including, I might say, a member of your own caucus who chose to get arrested.

Whether or not the Canadian people think it's a good idea for lawmakers to protest in a way that ultimately leads to their arrest is something for them to understand. The protests are part of who we are as a country. We cherish that right.

You bring up the question of indigenous communities. You know very well that indigenous communities are split on this. Canadians are split on this.

Mr. Richard Cannings: No, and I said that I didn't want to go there.

Hon. Jim Carr: It's not what B.C. is doing.

Mr. Richard Cannings: My question was, and I'll just answer it, that this purchase doesn't seem to have changed anything with regard to those protests. If anything, the purchase might have increased them. It hasn't affected anything about first nations' litigation or British Columbia's concerns.

I'll move on to the next question, which refers to the wonderful trip we just had in Argentina to the G20 energy meetings. You talked about Canada's being a green energy leader.

One comment that I was struck by there was by the U.K. representative, who, when he was doing his three-minute spiel on where the U.K. had been and where they've come from, used three short sayings. One was "walk the walk". The U.K. has legislated targets and has already reduced their emissions by 40%. We only have aspirational targets—and really, there's no indication we'll meet them in the short term. He also talked about "having your cake and eating it too", and that this "grand transition", as they called it, wouldn't necessarily be painful, but that the U.K. had created 450,000 jobs in the clean energy sector. The last one was, "put your money where your mouth is", which I think is relevant to these estimates. The U.K. has spent $4.5 billion on clean energy projects, and has spent $2 billion on electric vehicle infrastructure.

I'm very happy that we've spent, and are going to spend more, on that infrastructure, but it seems that if we want to have a game-changing plan, if we want to be a green energy leader, we have to be a lot bolder than that. Here we have a $4.5 billion investment in clean energy and $2 billion in electric vehicles by the U.K. These are, I think, the kind of statements and investments we have to be making.

Hon. Jim Carr: I agree with you. We're spending over $20 billion in green technologies, including in public transit and in green infrastructure—billions and billions of dollars in addition to the particular examples that I gave.

Mission Innovation, which was agreed to by many nations in Paris in 2015, encourages nation states to agree to double their investments in green technologies over a five-year period. The Prime Minister signed onto Mission Innovation. As a matter of fact, in your own province of British Columbia in exactly a year's time, Canada will be hosting the Clean Energy Ministerial meetings and the Mission Innovation meeting, where ministers from all around the world will be held to account for their spending, just as you are advising us that we should do. You'll be home, so I'm inviting you to the Clean Energy Ministerial—

● (1255)

Mr. Richard Cannings: I have one more quick question, because I only have a minute left.

Hon. Jim Carr: I'm sorry, I wish you had more time.

Mr. Richard Cannings: I just heard on the news today that Doug Ford just cancelled the Ontario green fund. It was something that was used to help people retrofit their homes. The ecoENERGY retrofit program was a great program, and I give credit to the Conservatives and Liberals for creating it, but they also share blame for getting rid of it. The Conservatives cancelled it, the Liberals punted it over to the provinces, and the provinces are dropping the ball. I'm wondering when can we see the ecoENERGY retrofit fund back in the federal budget.

Hon. Jim Carr: Of course, I can't speak for the Premier of Ontario.

Mr. Richard Cannings: I didn't expect you to. That's why I want you to take the ball and run with it.

Hon. Jim Carr: Yes.

Here I want to compliment you on the excellent work you've done on retrofits, and you are are making the arguments, I think, persuasively. We understand that it's of real value.

The International Energy Agency publishes reports that show we can move substantially down the road to our Paris commitments through energy efficiency alone.

I think it's one-third.

Ms. Kim Rudd (Northumberland—Peterborough South, Lib.): It's between one-third and one-half.

Hon. Jim Carr: Indeed, we can reach between a third and one-half of our our goal through efficiencies. As a member of Parliament, you are very much a part of the leadership of this discussion, and I congratulate you for that. Not only do I congratulate you for that, but thank you for coming on that trip to Argentina, because you had a chance to witness first-hand the role that Canada plays in a multilateral forum, because you were right there and saw that Canada was able to facilitate a consensus on energy between the European Union and the United States that many people thought impossible. I'm glad you were there.

Mr. Richard Cannings: Okay, get the eco energy right—

The Chair: Thank you, Mr. Cannings. I'm going to have to stop you there.

Mr. Serré, you're going to conclude our questioning.

[*Translation*]

Mr. Marc Serré (Nickel Belt, Lib.): Thank you, Mr. Chair.

Thank you, Minister.

[*English*]

Thank you so much for coming today and for your leadership.

I was going to ask questions about the G20, but I think—

Hon. Jim Carr: I wish you would.

Mr. Marc Serré: I think when you look at green-tech investment, the price on pollution, the indigenous consultations that we've done, and balancing the economy and the environment in being a green energy leader in the world, you answered some of those comments. We are being recognized around the world for that leadership and the potential that we have to work with other countries on that front. I'm going to leave that aside.

I want to go back to some of the earlier questions and comments. We recently had marathon voting on the NRCan supplementaries, and the opposition, especially the Conservative Party, voted against pretty much all of the measures.

If we were to agree with them, for example, and had voted not to support $560 million in programming for NRCan, what would have happened? They didn't support the money for forestry in B.C. and Quebec as part of those supplementaries. They also didn't support the money for minerals, the mining industry in northern Ontario, in my neck of the woods. They voted against it.

Mrs. Shannon Stubbs: Please.

Mr. Marc Serré: If we were to have followed the Conservatives, what would have happened, and how can we play a leadership role and continue on that front?

Hon. Jim Carr: Last week the Conservative Party voted against nearly $560 million in programming for Natural Resources Canada.

Mrs. Shannon Stubbs: You're partisan.

Hon. Jim Carr: I could go through the whole list. You've done a very good job.

By nature, I am not particularly partisan. I understand the role of the opposition. I was in opposition in the Manitoba legislature, and I understand that the opposition uses the tools at their disposal. Sometimes those tools are used irresponsibly, but it's not for the 338 of us to determine that it affects us personally. We're the ones who get up every seven minutes and have to vote hour after hour, but ultimately the opposition makes the calculation of whether or not that's in its interests, and the Canadian people will decide.

The consequence of the opposition action was that they did vote against these very important measures, and that's their choice and they'll be held accountable for it.

Mr. Marc Serré: When we talk about the price on pollution, we've heard at length a different approach from the opposition—or they don't seem to have a plan, other than opposing ours. I want to get your sense of what is wrong with having a price on polluters, and taking those dollars and giving them back to the Canadian population, to the middle class.

● (1300)

Hon. Jim Carr: Nothing.

Mr. Marc Serré: I don't understand why the opposition is opposing it.

Hon. Jim Carr: It's not just our idea in government. There have been leaders within the Conservative Party who have talked very persuasively about price mechanisms in order to send the right kind of signal to the marketplace and to consumers. I think Preston Manning was one person who was a leader in expressing this point of view, and there are others. Also, at the G20 and elsewhere around the world, it's part of the conversation.

It makes perfect sense that you provide the right kind of financial incentives for people. We all know that pollution is bad. If you put a price on pollution, it's a disincentive to pollute. In any event, as members know, provinces will be granted monies back to spend as they deem fit within their own jurisdictions.

Carbon pricing reduces emissions. It drives innovation and helps Canada to compete in a low-carbon economy. We think this is a positive development.

Again, I can't speak for the opposition. They think it's a bad idea. We look for their plan. We want to know how they could do a better job. They feel that we can reduce greenhouse emissions through a mechanism that we don't know about yet. But we will learn about that. I saw their leader interviewed the other day on television. He said, by golly, stay tuned. You'll find out. We await. Canadians will look at our plan and then they'll look at the opposition's plan, and they'll do what Canadians always do—they'll make a judgment at the appropriate moment.

Mr. Marc Serré: How much time do I have, Mr. Chair?

The Chair: You have just over two minutes.

Mr. Marc Serré: I'm glad you mentioned Preston Manning. There's Mark Cameron, former chief adviser to Stephen Harper. Then there's the Manitoba government. That's where, when you look at being on the wrong side of history here.... You have Shell Canada, Irving Oil, Teck Resources Cenovus, and Imperial all supporting what you just said. I just wanted to make sure that's on record.

I'm being heckled as I'm speaking.

Mr. Jamie Schmale (Haliburton—Kawartha Lakes—Brock, CPC): They're walking out the door.

The Chair: All right. They're just busting his chops.

Mr. Marc Serré: But seriously, when we look at moving forward and the energy sector, Canada is a world leader in energy. We have the best companies and the best resources. We have one of the highest energy consumption rates in the world. Therefore, when we look at moving forward to play a leadership role.... I'll ask a question specifically on our leadership, but also link that to our indigenous communities and how important it is to make sure that while we can't have consensus, we are making a really concerted effort to engage and have that participation of our indigenous communities also.

Hon. Jim Carr: We're making very important strides in partnering with indigenous communities. The best example is in my department. We approached the indigenous communities located down the Line 3 replacement and the TMX line with a blank sheet of paper—not with our ideas written on the other side, but a blank sheet. We said to them, let's co-develop a monitoring system so that indigenous communities up and down these two lines are very much a part of ensuring that construction is done safely and the monitoring that throughout its life cycle. This has never been done before. It's a very important development.

By the way, in fairness, not all of these communities want the pipeline. Some of the chiefs had to go back to their communities when they knew that the majority of their residents were opposed to the pipeline for a variety of reasons. But when it came time to working with Canada to co-develop terms of reference and to be involved in monitoring the safe construction, the communities were in. That took great courage from indigenous leaders.

Another set of communities has chosen to sign on to benefit agreements with Kinder Morgan—some 43 of them, 33 of them in British Columbia—creating opportunity for these communities and their young people for employment, skills development, and community benefit. This is good. It's something that we have to understand is part of the future of resource development in Canada. Indigenous partnerships are a part of the reality. You saw that in Bill C-69, where we say right at the very beginning that these consultations have to start at the front end. I think Perry Bellegarde, chief of the Assembly of First Nations, said it best: "You don't build anything until you build relationships". We have had the pleasure in our department of building relationships over a longer period of time. I think that speaks very well.

On Canada's role in the world, I didn't understand when I was appointed to this job how much time I'd be spending on an airplane —going to Beijing, Delhi, Mexico, Argentina, and Paris—but that's the way it is, because energy is international and pollution knows no boundaries. The reason Canada is such a welcome partner in the international community is the the richness, diversity, and abundance of energy we have and our proven track record as innovators. We are very confident that other countries will be looking to Canada for the way forward. I think we have the capacity to lead. I'm very optimistic about the future, and I think we should all be very proud of the steps we've taken and continue to take.

● (1305)

Mr. Marc Serré: Thank you.

The Chair: Thank you, Minister.

Mr. Serré, sorry, that's more than all your time, actually.

Minister, I know you have to leave us now to get ready for what happens next, but I just want to thank you again on behalf of the committee for taking the time to join us, especially at this time of year when there are so many pressures to be in so many different places. So we're all very grateful.

Mrs. Shannon Stubbs: Chair, given that the Minister wasn't able to make it here until 10 minutes after the start time—which I do understand given the pressures in his schedule—and that even in my answer at the end of my exchange, the time went over, could we have a three- to five-minute round for one of my colleagues to ask questions?

The Chair: Unfortunately, no. The minister has to leave. I was generous with the time for everybody who asked questions—

Mrs. Shannon Stubbs: The meeting is scheduled to end at 1:15.

The Chair: Well, we can stay until 1:15, but the minister, unfortunately, has to leave. I said that at the beginning that we were going to have one round of questions—

Mrs. Shannon Stubbs: So, we will have that's less than 45 minutes of answers from the minister on the most important—

The Chair: I made it very clear—

Mrs. Shannon Stubbs: —portfolio to the Canadian economy.

The Chair: I made it very clear at the outset that we were going to have one round of questions.

Mrs. Shannon Stubbs: Okay.

The Chair: Unfortunately, those are the circumstances, and we're grateful for—

Mrs. Shannon Stubbs: Maybe the minister will do it. It could be up to him.

The Chair: I understand the minister has to be on his way.

Minister, thank you.

Hon. Jim Carr: Let me just thank the committee. I truly believe that committee work in Parliament is at the heart of our democracy. This is where members of Parliament and ministers are held accountable. It's an absolutely essential part of who we are.

Believe it or not, I enjoy coming to the committee. I do. It's challenging, and it should be. I look forward to the next time we meet, which probably will be some time in the fall.

Let me wish everybody a wonderful chance to recharge, to get back to their communities, to walk down the streets and have a cappuccino. It's five o'clock, so maybe have a glass of wine or a beer, so we can all stay in touch with the roots and the people who send us here. I look forward to reconvening with you in the fall.

Thank you very much for the chance to be with you.

The Chair: Thank you, Minister.

Mr. Richard Cannings: Maybe you'll invite us for a beer in the fall.

Hon. Jim Carr: Cranberry juice.

Some hon. members: Oh, oh!

The Chair: Thank you very much, Minister. We appreciate your time.

All right, that is all of the business for today. I would just like to wish everybody the best for the summer. Thank you for everything you do to make this committee work so well. We'll see you in September.

The meeting is adjourned.

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